

109TH CONGRESS  
2D SESSION

# S. 3691

To amend the Small Business Act, to reform and reauthorize the National Veterans Business Development Corporation, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 19, 2006

Mr. KERRY (for himself, Ms. SNOWE, Mr. AKAKA, and Mr. TALENT) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To amend the Small Business Act, to reform and reauthorize the National Veterans Business Development Corporation, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Veterans Corporation  
5       Reauthorization Act of 2006”.

6       **SEC. 2. PURPOSES OF THE CORPORATION.**

7       (a) PURPOSES.—Section 33(b) of the Small Business  
8       Act (15 U.S.C. 657c(b)) is amended—

1           (1) by striking paragraph (1) and inserting the  
2 following:

3           “(1) to establish and maintain a national net-  
4 work of information and assistance centers for use  
5 by veterans and the public by—

6           “(A) providing information regarding small  
7 business oriented employment or development  
8 programs;

9           “(B) providing access to studies and re-  
10 search concerning the management, financing,  
11 and operation of small business enterprises,  
12 small business participation in international  
13 markets, export promotion, and technology  
14 transfer;

15           “(C) providing referrals to business ana-  
16 lysts who can provide direct counseling to vet-  
17 eran small business owners regarding the sub-  
18 jects described in this section;

19           “(D) serving as an information clearing-  
20 house for business development and entrepre-  
21 neurial assistance materials, as well as other  
22 veteran assistance materials, as deemed nec-  
23 essary, that are provided by Federal, State and  
24 local governments; and

1           “(E) providing assistance to veterans and  
 2           service-disabled veterans in efforts to gain ac-  
 3           cess to Federal prime contracts and sub-  
 4           contracts; and”; and

5           (2) in paragraph (2), by striking “including  
 6           service-disabled veterans” and inserting “particu-  
 7           larly service-disabled veterans”.

8   **SEC. 3. MANAGEMENT OF THE CORPORATION.**

9           (a) APPOINTMENTS TO THE BOARD.—Section  
 10 33(c)(2) of the Small Business Act (15 U.S.C. 657c(c)(2))  
 11 is amended to read as follows:

12           “(2) APPOINTMENT OF VOTING MEMBERS.—

13           “(A) IN GENERAL.—The President shall,  
 14           after considering recommendations proposed  
 15           under subparagraph (B), appoint the 9 voting  
 16           members of the Board, all of whom shall be  
 17           United States citizens, and not more than 5 of  
 18           whom shall be members of the same political  
 19           party.

20           “(B) RECOMMENDATIONS.—Recommendations shall be submitted to the President for ap-  
 21           pointments under this paragraph by the chair-  
 22           man or ranking member (or both) of the Com-  
 23           mittee on Small Business and Entrepreneurship  
 24           or the Committee on Veterans Affairs (or both)  
 25

of the Senate or the Committee on Small Business or the Committee on Veterans Affairs (or both) of the House of Representatives.

“(C) CONSULTATION WITH VETERAN ORGANIZATIONS.—Recommendations under subparagraph (B) shall be made after consultation with such veteran service organizations as are determined appropriate by the member of Congress making the recommendation.

“(D) CONSIDERATIONS.—Consideration for eligibility for membership on the Board shall include business experience, knowledge of veterans’ issues, and ability to raise funds for the Corporation.

“(E) LIMITATION ON INTERNAL RECOMMENDATIONS.—No member of the Board may recommend an individual for appointment to another position on the Board.”.

(b) TERMS.—Section 33(c)(6) of the Small Business Act (15 U.S.C. 657c(c)(6)) is amended to read as follows:

“(6) TERMS OF APPOINTED MEMBERS.—

“(A) IN GENERAL.—Each member of the Board of Directors appointed under paragraph (2) shall serve for a term of 4 years.

1           “(B) UNEXPIRED TERMS.—Any member of  
2           the Board of Directors appointed to fill a va-  
3           cancy occurring before the expiration of the  
4           term for which the member’s predecessor was  
5           appointed shall be appointed only for the re-  
6           mainder of the term. A member of the Board  
7           of Directors may not serve beyond the expira-  
8           tion of the term for which the member is ap-  
9           pointed.”.

10       (c) REMOVAL OF BOARD MEMBERS.—Section 33(c)  
11 of the Small Business Act (15 U.S.C. 657c(c)) is amended  
12 by adding at the end the following:

13           “(12) REMOVAL OF MEMBERS.—With the ap-  
14       proval of a majority of the Board of Directors and  
15       the approval of the chairmen and ranking members  
16       of the Committee on Small Business and Entrepre-  
17       neurship and the Committee on Veterans Affairs of  
18       the Senate, the Corporation may remove a member  
19       of the Board of Directors that is deemed unable to  
20       fulfill his or her duties, as established under this  
21       section.”.

1 **SEC. 4. TIMING OF TRANSFER OF ADVISORY COMMITTEE**

2 **DUTIES.**

3 Section 33(h) of the Small Business Act (15 U.S.C.  
4 657c(h)) is amended by striking “October 1, 2006” and  
5 inserting “October 1, 2009”.

6 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 33(k) of the Small Business Act (15 U.S.C.  
8 657c(k)(1)) is amended—

9 (1) in paragraph (1)—

10 (A) by inserting “, through the Office of  
11 Veteran’s Business Development of the Admin-  
12 istration,” after “to the Corporation”; and

13 (B) by striking subparagraphs (A) through  
14 (D) and inserting the following:

15 “(A) \$2,000,000 for fiscal year 2007;

16 “(B) \$2,000,000 for fiscal year 2008; and

17 “(C) \$2,000,000 for fiscal year 2009.”;

18 (2) by striking paragraph (2) and inserting the  
19 following:

20 “(2) MATCHING REQUIREMENTS.—

21 “(A) IN GENERAL.—The Administration  
22 shall require, as a condition of any grant (or  
23 amendment or modification thereto) made to  
24 the Corporation under this section, that a  
25 matching amount (excluding any fees collected  
26 from recipients of such assistance) equal to the

1 amount of such grant be provided from sources  
2 other than the Federal Government.

3 “(B) LIMITATION.—Not more than 33 per-  
4 cent of the total revenue of the Corporation, in-  
5 cluding the funds raised for use at the Vet-  
6 eran’s Business Resource Centers, may be ac-  
7 quired from fee-for-service tools or direct  
8 charge to the veteran receiving services, as de-  
9 scribed in this section, except that the amount  
10 of any such fee or charge may not exceed the  
11 amount of such fee or charge in effect on the  
12 date of enactment of the Veterans Corporation  
13 Reauthorization Act of 2006.

14 “(C) MISSION-RELATED LIMITATION.—The  
15 Corporation may not engage in revenue pro-  
16 ducing programs, services, or related business  
17 ventures that are not intended to carry out the  
18 mission and activities described in section (b).

19 “(D) RETURN TO TREASURY.—Funds ap-  
20 propriated under this section that have not been  
21 expended at the end of the fiscal year for which  
22 they were appropriated shall revert back to the  
23 Treasury.”; and  
24 (3) by striking paragraph (3).

1 **SEC. 6. PRIVATIZATION.**

2 Section 33 of the Small Business Act (15 U.S.C.  
3 657c) is amended—

4 (1) by striking subsections (f) and (i); and

5 (2) by redesignating subsections (g), (h), (j),  
6 and (k) as subsections (f) through (i), respectively;  
7 and

8 (3) by adding at the end the following:

9 “(j) PRIVATIZATION.—

10 “(1) DEVELOPMENT OF PLAN.—Not later than  
11 6 months after the date of enactment of the Vet-  
12 erans Corporation Reauthorization Act of 2006, the  
13 Corporation shall develop, institute, and implement a  
14 plan to raise private funds and become a self-sus-  
15 taining corporation.

16 “(2) GAO AUDIT AND REPORT.—

17 “(A) AUDIT.—The Comptroller General of  
18 the United States shall conduct an audit of the  
19 Corporation, in accordance with generally ac-  
20 cepted accounting principles and generally ac-  
21 cepted audit standards.

22 “(B) INCLUSIONS.—The audit required by  
23 this paragraph shall include—

24 “(i) an evaluation of the efficacy of  
25 the Corporation in carrying out the pur-  
26 poses under section (b); and



1                   “(ii) an analysis of the feasibility of  
2                   the sustainability plan developed by the  
3                   Corporation.

4                   “(C) REPORT.—Not later than 1 year  
5                   after the date of enactment of the Veterans  
6                   Corporation Reauthorization Act of 2006, the  
7                   Comptroller General shall submit a report on  
8                   the audit conducted under this paragraph to  
9                   the Committee on Small Business and Entre-  
10                  preneurship and the Committee on Veterans Af-  
11                  fairs of the Senate and to the Committee on  
12                  Small Business and the Committee on Veterans  
13                  Affairs of the House of Representatives.”.

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